

# Food & Beverage Hydrocolloids Market in the US

## Industry Study with Forecasts for 2021

Study #3516 | May 2017 | \$5100



US demand growth for food and beverage hydrocolloids will be supported by:

- wider trends in the food and beverage markets, including “all-natural” and “clean label” preferences
- growth in food and beverage production, particularly in processed and fortified foods and beverages, where hydrocolloids help provide appealing texture and maintain product stability
- increasing use of blends, which will influence product mix in the food and beverage hydrocolloid market

### Major applications to provide strong opportunities for growth

Fortified products, such as energy drinks and protein fortified milk, will offer some of the best growth opportunities. Other strong gains will be in free-from products -- fat-free, gluten-free, vegetarian meat substitutes -- where the characteristics imparted by hydrocolloids are necessary to replace those of the removed ingredients such as binding properties and a fat-like mouthfeel. Plant and seed gums and extracts will remain the largest product segment among food and beverage hydrocolloids, Dairy products will remain the largest food application, with over 20% of the hydrocolloids market in 2021.

### Product availability to remain key

The use of hydrocolloids by the US food and beverage industry will provide a baseline of steady growth through 2021. Additional growth opportunities will be provided by

the development of new applications; however, these will be influenced by factors that constrain the availability of hydrocolloid raw materials. In the past decade, these factors have included government programs to address crop sustainability, extreme weather, political unrest, and growing demand from the global food and beverage industry. These conditions are expected to affect the market going forward, restraining better growth in volume terms.

### Pricing offers slower rate of growth

Unforeseen increases in demand from competing industries, market speculation, and raw material availability had an impact on the price of individual hydrocolloids between 2006 and 2016, in particular guar gum, pectin, and agar. Overall, average prices rose nearly 5% per year over the past decade. The forecast for further price increases through 2021 will result in continued feedstock limitations and production bottlenecks.

### Study coverage

This Freedonia industry study presents historical demand data (2006, 2011, and 2016) and forecast (2021) by product class, including plant and seed gums and exudates (cellulosics, pectin, guar gum, locust bean gum, gum arabic), seaweed extracts (carrageenan, alginates, agar), and xanthan gum. The study also evaluates company market share and presents competitive analysis on US industry competitors including CP Kelco, DuPont, Dow, FMC, and Ashland.

## PLANT & SEED GUMS & EXTRACTS

### Sales Forecast

#### Volume Demand Forecast

Volume demand for plant and seed gums and extracts is forecasted to grow steadily through 2021 to just below 2017 levels. Demand is expected to be driven by increased demand for food and beverage applications, particularly in the US and Canada. Production in the US and Canada is expected to increase, as more guar gum is used in food and beverage applications, causing prices to rise. However, further gains will be restricted by the low cost of guar bean gum, which will be affected by several years of poor harvest.

Plant and seed gums and extracts will be

driven by demand for “all-natural,” organic, and natural products, which will benefit most of the food

and beverage hydrocolloids

- greater use of food and beverage hydrocolloid blends, which will widen opportunities for new uses of hydrocolloids in existing food and beverage products
- products resins

Restraining factors to impact plant and seed gums and extracts include:

- maturity of the overall food and beverage markets in the US and Canada will restrain demand gains arising from strong growth in new food and beverage applications
- development of a limited number of new applications for plant and seed gums and extracts, due to the current extensive use of hydrocolloids in food and beverage products
- volatility in feedstock supplies arising from poor weather, disease, or other factors

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Table 3-2 | Food & Beverage Hydrocolloids Demand by Product, 2006 - 2021 (million dollars)

Item	2006	2011	2016	2021	% Compound Annual Growth		
					06-11	11-16	16-21
Food & Beverage Hydrocolloid Demand							
Plant & Seed Gums & Extracts:							
Cellulosics							
Pectin							
Guar Gum							
Locust Bean Gum							
Gum Arabic							
Seaweed Extracts:							
Carrageenan							
Alginates							
Agar							
Xanthan Gum							

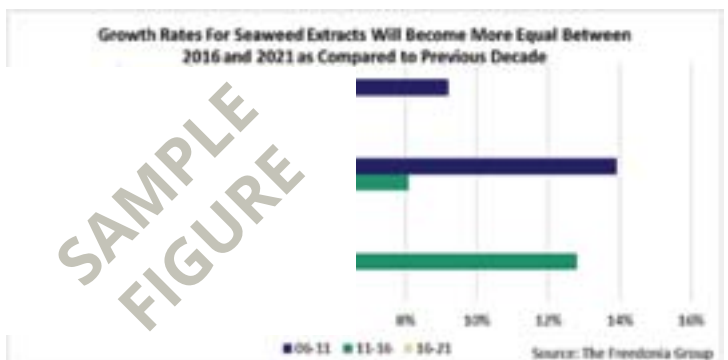
Source: The Freedonia Group

Table 6-3 | Xanthan Gum Demand by Market, 2006 - 2021 (million dollars)

Item	2006	2011	2016	2021	% Compound Annual Growth		
					06-11	11-16	16-21
Xanthan Gum Demand							
Sauces, Condiments, Fats, & Oils							
Baked Goods							
Dairy Products							
Processed & Frozen Foods							
Candy & Confections							
Other Food & Beverages							

Source: The Freedonia Group

Figure 5-3 | Seaweed Extracts Value Demand by Type, 2006 - 2021 (Compound Annual Growth Rate)



Source: The Freedonia Group

## This study can help you:

- Determine your market & sales potential
- Learn more about industry competitors
- Assess new products & technologies
- Identify firms to merge with or acquire
- Complement your research & planning
- Gather data for presentations
- Confirm your own internal data
- Make better business decisions

# The Freedonia Group

## Upcoming Research for 2017

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### Construction and Building Products

#### New Titles

- Kitchen & Bath Remodeling in the US
- Roofing Distribution in the US
- Siding Distribution in the US
- Portable HVAC Equipment in the US
- Asphalt Shingles Market in the US

#### Updates

- Global Countertops Market
- Global Flooring Market
- Pipe Markets in the US
- Plumbing Fixtures & Fittings in the US
- Siding Market in the US
- Windows & Doors Market in the US
- Global Elevators

### Packaging and Consumer Goods

#### New Titles

- Global E-Commerce
- Packaging Films Market in the US
- Consumer Wipes Market in the US
- Meat Packaging Market in the US
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- Labels in the US
- Global Power Tools
- Home Organization Products in the US

### Chemicals, Polymers, Energy

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- Global Architectural Paint
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- Roofing Coatings Market in the US

### Industrial Equipment and Transport

#### Updates

- Global Construction Machinery
- HVAC Equipment in the US
- Lawn & Garden Equipment in the US
- Global Buses
- North American Automotive Aftermarket
- North American Truck Aftermarket

## Related Studies

### Poultry Packaging Market in the US

US poultry packaging demand will rise 3.6% yearly to \$4.3 billion in 2021. Consumer preference for easy meal preparation will help to raise gains for poultry packaging overall, while in the fresh poultry market, increased use of individual portion packaging has spurred demand for vacuum pouches. This study offers historical data plus forecasts for 2021 by product, market and application. The study assesses technologies used in poultry packaging, evaluates company market share and provides competitive analysis on industry participants.

#3503..... March 2017..... \$4900

### Natural Polymers

US demand for natural polymers is forecast to rise at a 4.3 percent yearly rate through 2020. Growth will be stimulated by demand in the large food and beverage industry, while most product types will also benefit from strong demand in the medical market. However, a decline in oil and gas production will restrain overall natural polymer gains. The study provides historical data plus projections for 2020 and 2025 for demand by market and product. This study also assesses key market environment factors, evaluates company market share, and profiles US industry competitors.

#3415..... May 2016..... \$5300

### Pouches

Demand for pouches in the US will grow 4.4 percent annually through 2020 to \$10.1 billion. Growth will be driven by the introduction of pouch packaging into new markets and the integration of high value features, such as resealable closures and spouts, in more mature markets. Stand-up pouches will remain the fastest growing type. This study analyzes the \$8.2 billion US pouch market, with forecasts for 2020 and 2025 by product type, feature, market, and production method. The study also evaluates company market share and profiles industry players.

#3383..... February 2016..... \$5400

### Converted Flexible Packaging

US demand for converted flexible packaging will rise 3.3 percent annually to \$20.7 billion in 2019. Pouches will experience above average gains, benefiting from the increased prevalence of value-added features. The nonfood packaging market will slightly outpace the dominant food packaging segment. This study analyzes the \$17.5 billion US converted flexible packaging industry, with forecasts for 2019 and 2024 by material, product, and market. The study also considers market environment factors, evaluates company market share and profiles industry players.

#3333..... October 2015..... \$5500

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## Freedonia's methods

- Establishing consistent economic & market forecasts
- Using input/output ratios, flow charts & other economic methods to quantify data
- Employing in-house analysts who meet stringent quality standards
- Interviewing key industry participants, experts & end users
- Researching a proprietary database that includes trade publications, government reports & corporate literature

## About The Freedonia Group

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